STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

5. MINERAL LEASE NO: ML-48201	6. SURFACE: State
7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
8. UNIT or CA AGREEMENT NAME: N/A	
9. WELL NAME and NUMBER: State of Utah 18-7-1-13	
10. FIELD AND POOL, OR WILDCAT: Ferron Sandstone Buzzard Bench 132	
11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 1 18S 7E S	
12. COUNTY: Emery	13. STATE: UTAH

1A. TYPE OF WORK: DRILL ☑ REENTER ☐ DEEPEN ☐

B. TYPE OF WELL: OIL ☐ GAS ☑ OTHER _____ SINGLE ZONE ☑ MULTIPLE ZONE ☐

2. NAME OF OPERATOR: XTO Energy, Inc.

3. ADDRESS OF OPERATOR: 2700 Farmington Ave. B CITY Farmington STATE NM ZIP 87401 PHONE NUMBER: (505) 324-1090

4. LOCATION OF WELL (FOOTAGES) 492222X 39.282288
AT SURFACE: 1382' FSL x 1266' FWL in Sec 1, T18S, R7E
AT PROPOSED PRODUCING ZONE: same 4347898Y -111.090183

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 6 miles Northwest of Orangeville, Utah

15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET)	16. NUMBER OF ACRES IN LEASE:	17. NUMBER OF ACRES ASSIGNED TO THIS WELL:
566'	248.91	160
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)	**19. PROPOSED DEPTH:**	**20. BOND DESCRIPTION:**
none	3,560	UTB-000138
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.):	**22. APPROXIMATE DATE WORK WILL START:**	**23. ESTIMATED DURATION:**
6877 Ground Elevation	10/1/06	2 weeks

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
12.25"	8.625"	J-55	24#	300	Class G	+/- 210 sxs	1.18 ft3/sx	15.7 ppg
7.875"	5.5"	J-55	15.5#	3,560	CBM light wt - lead	+/- 230 sx	4.15 ft3/sx	10.5 ppg
					CBM light wt - tail	+/- 230 sx	4.15 ft3/sx	10.5 ppg

25. **ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- ☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
- ☑ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
- ☑ COMPLETE DRILLING PLAN
- ☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Kyla Vaughan TITLE Regulatory Compliance Tech

SIGNATURE Kyla Vaughan DATE 7/6/2006

(This space for State use only)

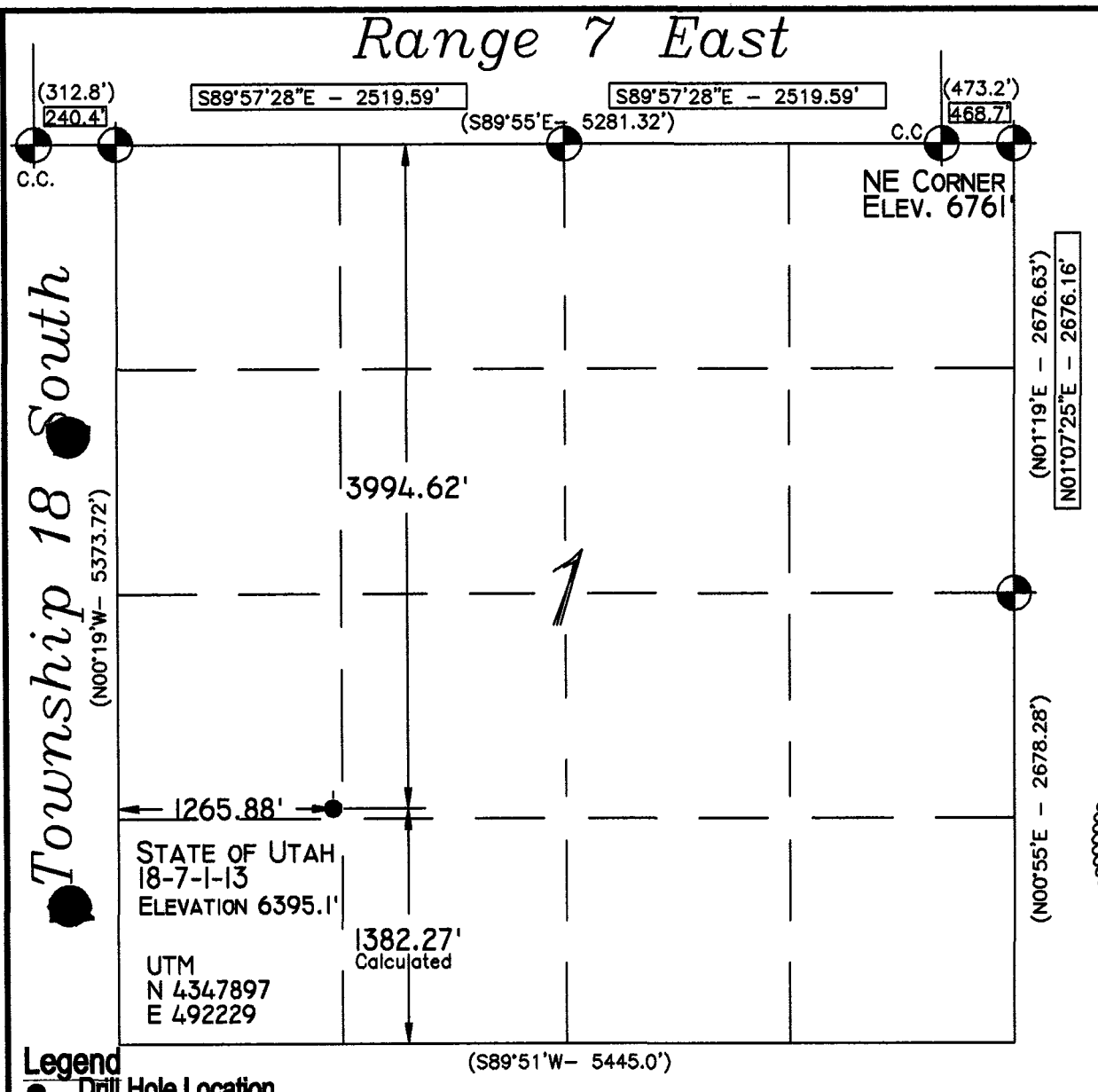
API NUMBER ASSIGNED: 43015-30694

Approved by the
Utah Division of
Oil, Gas and Mining
APPROVAL:

Date: 05-23-07
(See Instructions on Reverse Side)
By: _____

RECEIVED
JUL 13 2006
DIV. OF OIL, GAS & MINING

(11/2001)



Legend

- Drill Hole Location
- Brass Cap (Found)
- Brass Cap (Searched for, but not found)
- △ Calculated Corner
- C.C. Corection Corner
- ( ) GLO
- GPS Measured

NOTES:

1. UTM AND LATITUDE / LONGITUDE COORDINATES ARE DERIVED USING A GPS PATHFINDER AND ARE SHOWN IN NAD 27 DATUM.

LAT / LONG
39°16'02.011" N
111°06'08.816" W

Location:
THE WELL LOCATION WAS DETERMINED USING A TRIMBLE 4700 GPS SURVEY GRADE UNIT.

Basis of Bearing:
THE BASIS OF BEARING IS GPS MEASURED.

GLO Bearing:
THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED FROM THE U.S. LAND OFFICE.

Basis of Elevation:
BASIS OF ELEVATION OF 6761' BEING AT THE NORTHEAST SECTION CORNER OF SECTION 1, TOWNSHIP 18 SOUTH, RANGE 7 EAST, SALT LAKE BASE & MERIDIAN, AS SHOWN ON THE RED POINT QUADRANGLE 7.5 MINUTE SERIES MAP.

Description of Location:
PROPOSED DRILL HOLE LOCATED IN THE NW 1/4, SW 1/4 OF SECTION 1; BEING 3994.62' SOUTH FROM THE NORTH LINE AND 1265.88' EAST OF THE WEST LINE OF SECTION 1, T18S, R7E, SALT LAKE BASE AND MERIDIAN.

Surveyor's Certificate:
I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.

Registered Land Surveyor
5-17-06
No. 146652
Albert J. Spensko
State of Utah

GRAPHIC SCALE
0 500' 1000'
(IN FEET)
1 inch = 1000 ft.

TALON RESOURCES, INC.
195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talonetv.net

XTO ENERGY

STATE OF UTAH 18-7-1-13
SECTION 1, T18S., R7E., S.L.B.&M.
EMERY COUNTY, UTAH

Drawn By:	Checked By:
J. STANSFIELD	L.W.J. / A.J.S.
Drawing No.	Date:
A-1	03/01/06
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 2062

Bureau of Land Management
Application for Permit to Drill
Surface Use Plan

Company:	XTO Energy, Inc.
Well No:	State of Utah 18-7-1-13
Location:	Section 1, T18S, R7E
State Lease No:	ML-48201

Thirteen Point Surface Use Plan

The dirt contractor will be provided an approved copy of the surface use plan of operations befor starting construction

1) Existing Roads

   a) Proposed route to location: The proposed route to location is show on Exhibit "A" and is from the Red Point Quadrangle 7.5 minute series USGS quadrangle map

   b) Location of proposed well in relation to town or other reference point: The well is located approximately 6 miles NW of Orangeville, Utah. Head NW on Hwy 29 to intersection og Hwy 57, turn North (right) head north on Hwy 57 approx 2 miles, turn East (right) go one mile on paved road, turn West (left) go 1500' on new lease road to location.

   c) Contact the County Road Department for use of county roads: No encroachment permit will be required.

   d) Plans for improvement and/or maintenance of existing roads: All existing roads within 1 mile of the drill site are shown on Exhibit "A". All existing roads that will be used to the well location will be maintained to their current conditions or better.

   e) Other comments: None

2) Planned Access Roads

   a) Location of Access Road: Starting from a point along an existing road in the SW/4 of Section 1, T18S, R7E.

   b) Length of New Road: Approximately 5900 feet of new access road will be constructed in order to gain safe access to the well pad. See Exhibit "B"

   c) Length of Existing Road to Upgrade: No additional upgrades should be necessary to existing roads

d) Maxium Disturbed Width: Typically new access roads require up to 60' of disturbed width which includes ROW for gas and water pipe lines and electric service.

e) Travel Width of Access Road: 25' or less

f) Maximum Grade after Construction: Maximum grades will not exceed 10% after construction.

g) Turnouts Planned: No turnouts are planned at this time.

h) Surface Materials: Only native materials will be used if additional construction is required. If necessary, gravel or rock maybe purchased and used to improve road conditions and travel.

i) Drainage (crowing, ditching, culverts, etc): Roads will be re-crowned and bar ditches, if necessary, will be located along either side. 18"-24" culverts will be installed as necessary.

j) Cattle Guards: No cattle guards are planned at this time. If necessary cattle guards will be specified in the stipulations.

k) Length of new and/or existing roads which lie outside the lease or unit boundry for which a BLM/State/fee right of way is required: None

l) Other:

i) Surface disturbance and vehicular travel will be limited to the approved location and access road. Any additional area needed must be approved by the State of Utah in advance.

ii) If a right-of-way is necessary, no surface disturbing activities shall take place on the subject right-of-way until the associated APD is approved. The holder will adhere to conditions of approval in the Surface Use Program of the approved APD, relevant to any right-of-way facilities.

iii) If a right-of-way is secured, boundary adjustments in the lease or unit shall automatically amend this right-of-way to include that portion of the facility no longer contained within the lease or unit. In the event of an automatic amendment to this right-of-way grant, the prior on-lease/unit conditions of approval of this facility will not be affected even though they would now apply to facilities outside of the lease/unit as a result of a boundary adjustment. Rental fees, if appropriate shall be recalculated based on the conditions of this grant and the regulations in effect at the time of an automatic amendment.

iv) If at any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change) the State of Utah will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental, or other financial obligations determined by the State of Utah.

v) If the well is not productive, the access road will be rehabilitated or brought to Resource (Class III) Road Standards within 60 days of dismantling the rig. If upgraded, the access road must be maintained at these standards until the well is properly abandoned. If this time frame cannot be met, the Field Office Manager will be notified so that temporary drainage control can be installed along the access road.

3) Location of Existing Wells:

a) On a map, show the location of all water, injection, disposal, producing and drilling wells within a one mile radius of the proposed well, and describe the status of each: See Exhibit "C".

4) Location of Production Facilities:

a) On-site facilities: Typical on-site facilities will consist of a wellhead, gas flow line, water flow line, artificial lifting system (pumping unit), 2 phase separator, gas measurement, water measurement, electronics, a heated enclosure/building for weather and environmental protection and chemical injection equipment (as required). All production and measurement shall conform to the provisions of 43 CFR § 3162.7 and Onshore Oil and Gas Order No. 4, if applicable.

b) All permanent (in place for six months or longer) structures constructed or installed on the well site location will be painted a flat, non reflective color to match the standard environmental colors, as specified by the COA's in the APD. All facilities will be painted within six months of installation. Facilities required complying with the Occupational Safety and Health Act (OSHA) may be excluded.

c) Off-site facilities: Off-site facilities are located at the CDP station and include compression, processing, separation, tanks, pits, electronics and produced water disposal (SWD) well.

d) Pipelines: The well will be produced into gas and water pipelines (sizes to be determined) and transported to existing pipelines. See Exhibit "B" for the proposed pipe line route.

e) Power lines: Power lines are located underground in the same ROW as the water and gas pipe lines.

5) Location and Type of Water Supply:

a) All water required for drilling will be purchased from a local municipal water supply. If possible, currently produced coal well water may also be used after receiving any necessary permits. Water will be trucked to location by a third party trucking company who specializes in water hauling.

b) Water obtained on private land, or land administered by another agency, will require approval from the owner or agency for use of the land.

6) Source of Constructin Material:

a) Pad construction material will be obtained from (if the source is Federally owned, show location on a map): All construction material will be purchased from private landowners or a commercial gravel/materials pit. The use of materials will conform to 43 CFR § 3610.2-3, if applicable.

b) The use of materials under State of Utah jurisdiction will conform to 43 CFR § 3610.2-3, if applicable.

7) Methods of Handling Waste Disposal:

a) Describe the methods and locations proposed for safe containment and disposal of waste material, e.g. cuttings, produced water, garbage, sewage, chemicals, etc. The reserve pit will be located along the edge and within the boundaries of the designated well pad. The walls of the pit will be sloped at no greater than 2 to 1 and will be lined was a synthetic material of approximately 12 mils in thickness. The reserve pit shall be located in cut material, with at lease 50% of the pit volume being below original ground level. Three sides of the pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. The amount of time the pit may remain open will typically be specified by the COA's. Once dry, the liner will be cut and removed at the mud line and the pit will be covered and buried in place.

b) Trash must be contained in a trash cage and hauled away to an approved disposal site as necessary but no later than at the completion of drilling operations.

c) Sewage form trailers and chemical portable toilets will be removed on a regular basis by a third party contractor and disposed of at an authorized sanitary waste facility.

d) Any and all chemicals used during the drilling and completion of the well will be kept to a minimum and stored within the boundaries of the well pad. The third party chemical contractor will be responsible for containment and clean-up and removal of all spilled chemicals on location.

8) Ancillary Facilities:

a) No ancillary facilities will be required during the drilling or completion of the well.

9) Well Site Layout

a) Depict the pit, rig, cut and fill, topsoil, etc. on a plat with a scale of at least 1"=50'. See Exhibit "D" & "E".

b) All equipment and vehicles that will be used to drill and complete this well will remain within the boundaries of the approved well pad. Any equipment and or vehicles park or stored off of the location will be considered trespassing on federal lands and will NOT be tolerated.

c) Materials obtained from the construction of location, like topsoil and vegetation will be stock piled as indicated and permitted by the approved APD. The stock piles themselves may be outside the approved boundaries of the well pad.

10) Plans for Restoration of the Surface:

a) The top 6 inches of topsoil material will be removed from the location and stockpiled separately on: Adjacent Land or as specified by the approved APD.

b) Topsoil along the access road will be reserved in place adjacent to the road

c) Within 30-45 days after completion of well, all equipment that is not necessary for production shall be removed.

d) The reserve pit and that portion of the location not needed for production will be reclaimed 90-120 days after completion of the well.

e) Before any dirt work to restore the location takes place, the reserve pit must be ready for burial.

f) All road surfacing will be removed prior to the rehabilitation of roads.

g) Reclaimed roads will have the berms and cuts reduced and will be closed to vehicle use

h) All disturbed areas will be re-contoured to replicate the natural slope.

i) The stockpiled topsoil will be evenly distributed over the disturbed area.

j) Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface.

k) Seed will be broadcast or drilled between September and November, or at a time specified by the BLM and or state. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage.

l) The following seed mixture will be used: As specified in the conditions of approval

m) If necessary, an abandonment marker will be one of the following, as specified by the State of Utah:

i) at least four feet above ground level,

ii) at restored ground level, or

iii) below ground level.

iv) In any case the marker shall be inscribed with the following: operator name, lease number, well name and surveyed description (township, range, section and either quarter-quarter or footages).

n) Additional requirements: None

11) Surface and Mineral Ownership:

a) Both the surface and minerals are owned by the State of Utah.

12) Other Information:

a) Archeological Concerns: An approved contractor will submit the appropriate reports to the agency as required. Special stipulations will be included in the COA's of the approved APD.

b) The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the State of Utah Field Office. Within five (5) working days, the State of Utah will inform the operator as to:

i) whether the materials appear eligible for the National Register of Historic Places;

ii) the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and

iii) a time frame for the State of Utah to complete an expedited review under 36 CFR § 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the State of Utah are correct and that mitigation is appropriate.

c) If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the State of Utah will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The State of Utah will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the State of Utah that the required mitigation has been completed, the operator will then be allowed to resume

d) Threatened and Endangered Species Concerns:

i) An approved contractor will submit the appropriate reports as required. Special stipulation will be included in the COA's of the approved APD.

e) Wildlife Seasonal Restrictions: Current wildlife restrictions and closure dates are specified in the BLM's Environmental Impact Statement.

13) The Drilling Program is attached: See Exhibit "F".

14) Lessee's or Operator's Representatives and Certification:

Permitting & Compliance:

Kyla Vaughan
Regulatory Compliance
XTO Energy, Inc.
2700 Farmington Avenue, Bldg K, Suite 1
Farmington, NM 87401
505-324-1090

Drilling & Completions:

Greg Vick
XTO Energy, Inc.
2700 Farmington Avenue, Bldg K, Suite 1
Farmington, NM 87401
505-324-1090

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by XTO Energy Inc. and its contractors and subcontractors in conformity with this APD package and the terms and conditions under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application, with bond coverage being provided by XTO Energy Inc. This statement is subject to the provisions of 18 U.S.C. § 1001 for the filing of a false statement.

Signature: Kyla Vaughan
Kyla Vaughan

Date: July 6, 2006

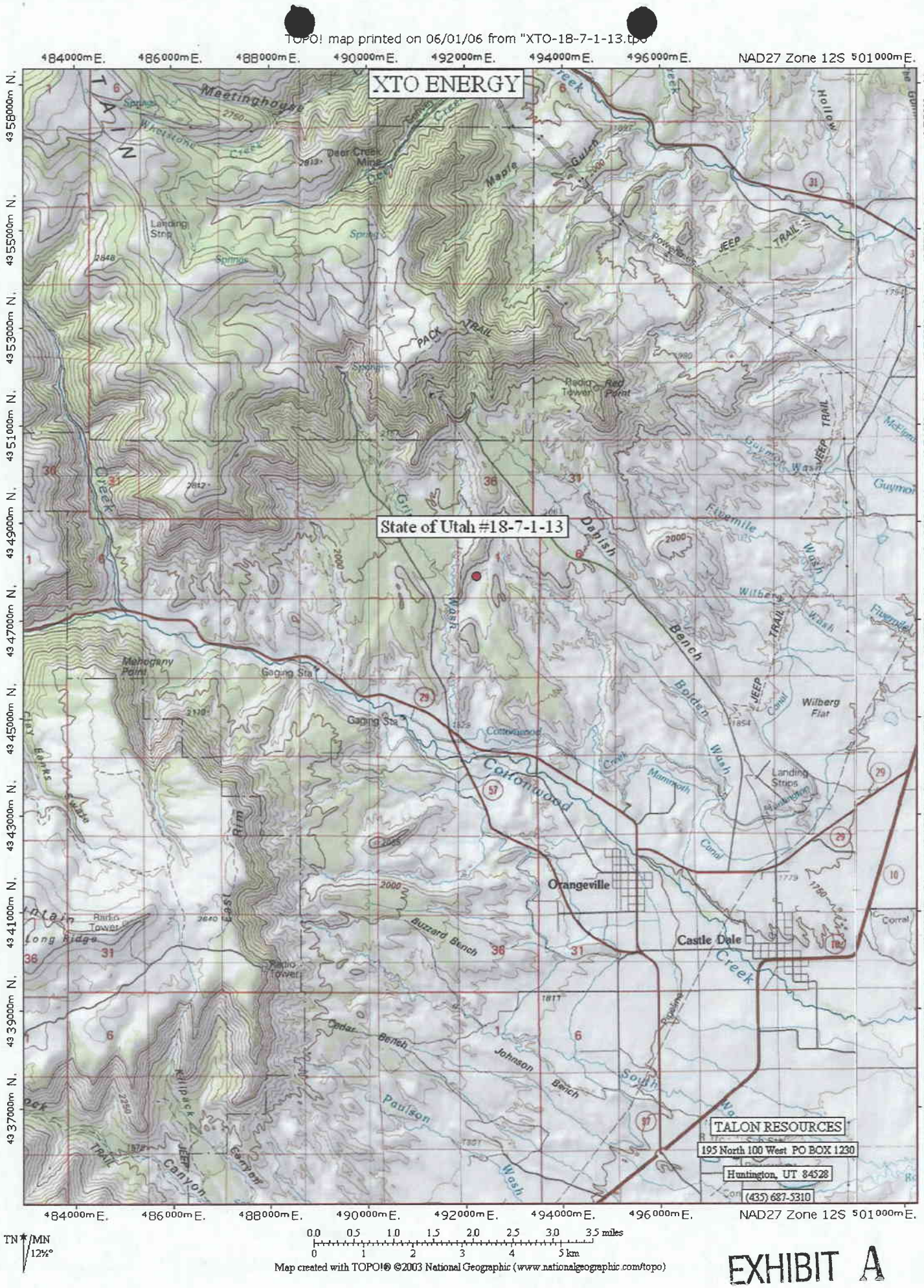

TOPO! map printed on 06/01/06 from "XTO-18-7-1-13.tpo"
XTO ENERGY
State of Utah #18-7-1-13
484000mE.
486000mE.
488000mE.
490000mE.
492000mE.
494000mE.
496000mE.
501000mE.
NAD27 Zone 12S
4358000m N.
4355000m N.
4353000m N.
4351000m N.
4349000m N.
4347000m N.
4345000m N.
4343000m N.
4341000m N.
4339000m N.
4337000m N.
T 14 S
Meetinghouse
Deer Creek Mine
Maple
Gulch
Hollow
Landing Strip
Springs
JEEP TRAIL
PACK TRAIL
Radio Tower
Red Point
Guymon
Creek
Dobish
Bench
Fivemile Wash
Wilberg Trail
Wilberg Flat
Mahogany Point
Gaging Sta
Cottonwood
Boulders
Canal
Landing Strips
Orangeville
Castle Dale
Buzzard Bench
Cedar Bench
Johnson
Paulson
Rim
Long Ridge
Killdeer Canyon
TALON RESOURCES
195 North 100 West PO BOX 1230
Huntington, UT 84528
(435) 687-5310
TN 12½°
0.0 0.5 1.0 1.5 2.0 2.5 3.0 3.5 miles
0 1 2 3 4 5 km
Map created with TOPO!® ©2003 National Geographic (www.nationalgeographic.com/topo)

EXHIBIT A

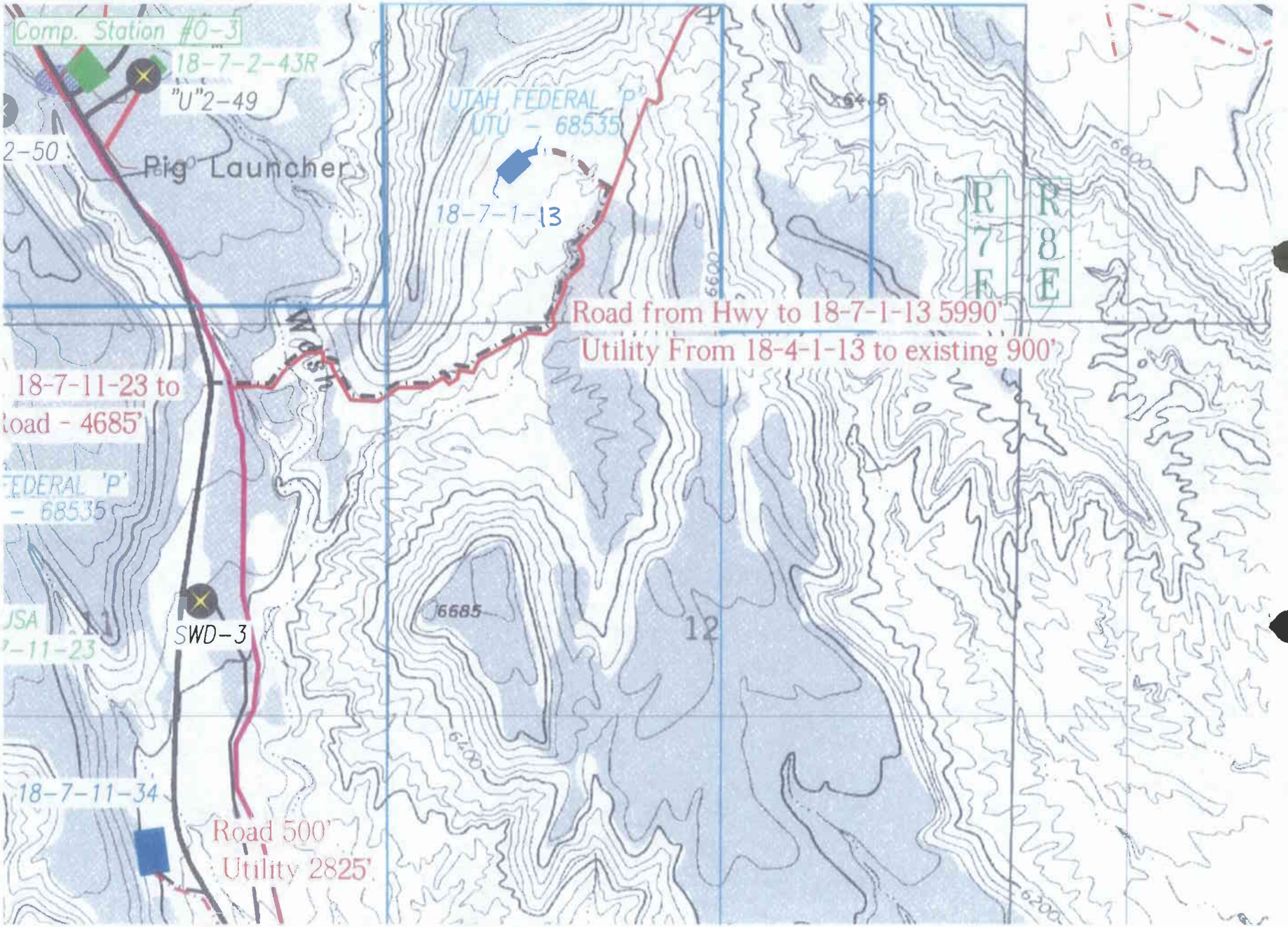
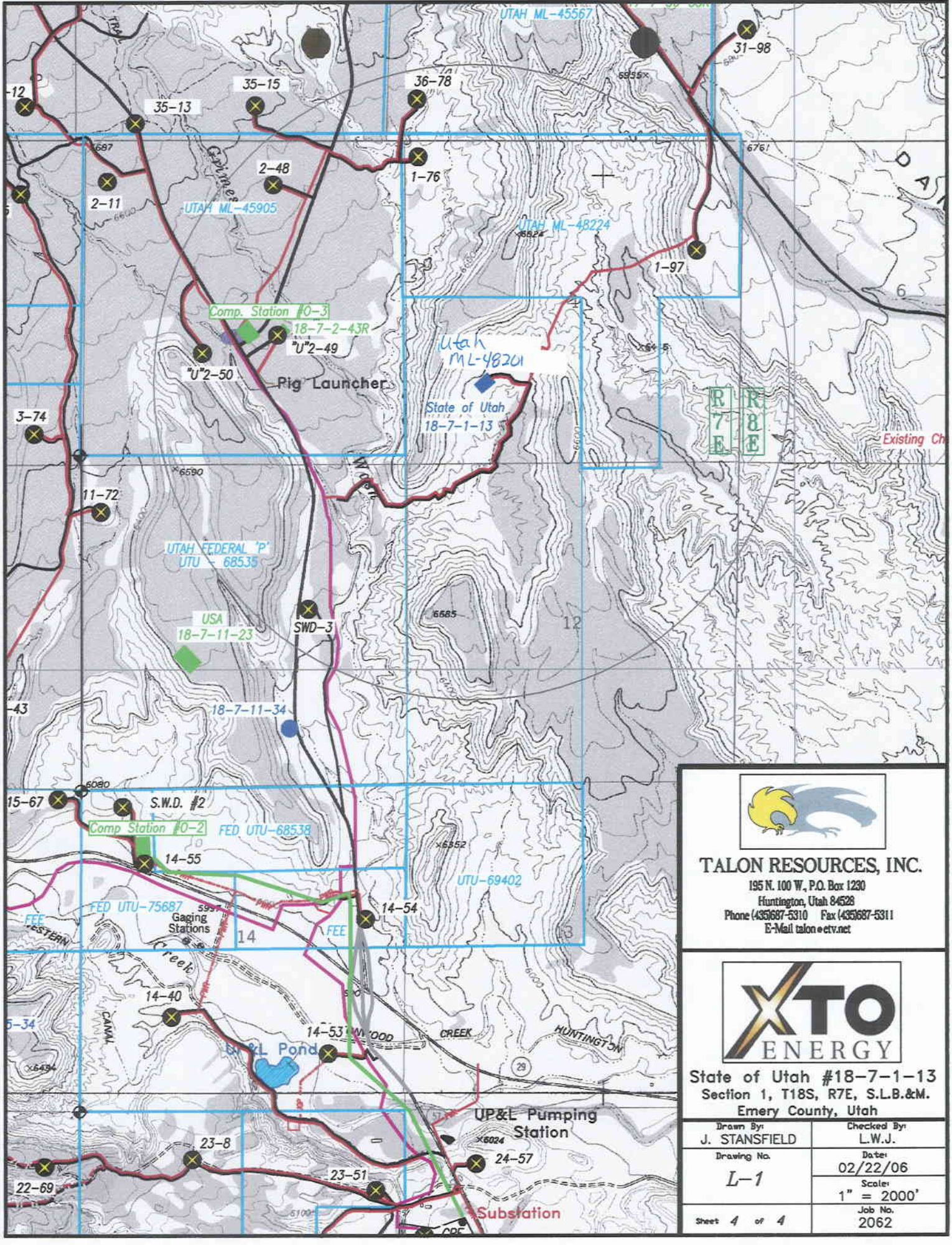

Comp. Station #0-3
18-7-2-43R
"U"2-49
Pig Launcher
UTAH FEDERAL 'P'
UTU - 68535
18-7-1-13
R 7 E
R 8 E
Road from Hwy to 18-7-1-13 5990'
Utility From 18-4-1-13 to existing 900'
18-7-11-23 to
oad - 4685'
SWD-3
6685
12
18-7-11-34
Road 500'
Utility 2825'

EXHIBIT B



TALON RESOURCES, INC.
195 N. 100 W., P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talon@etv.net

XTO ENERGY

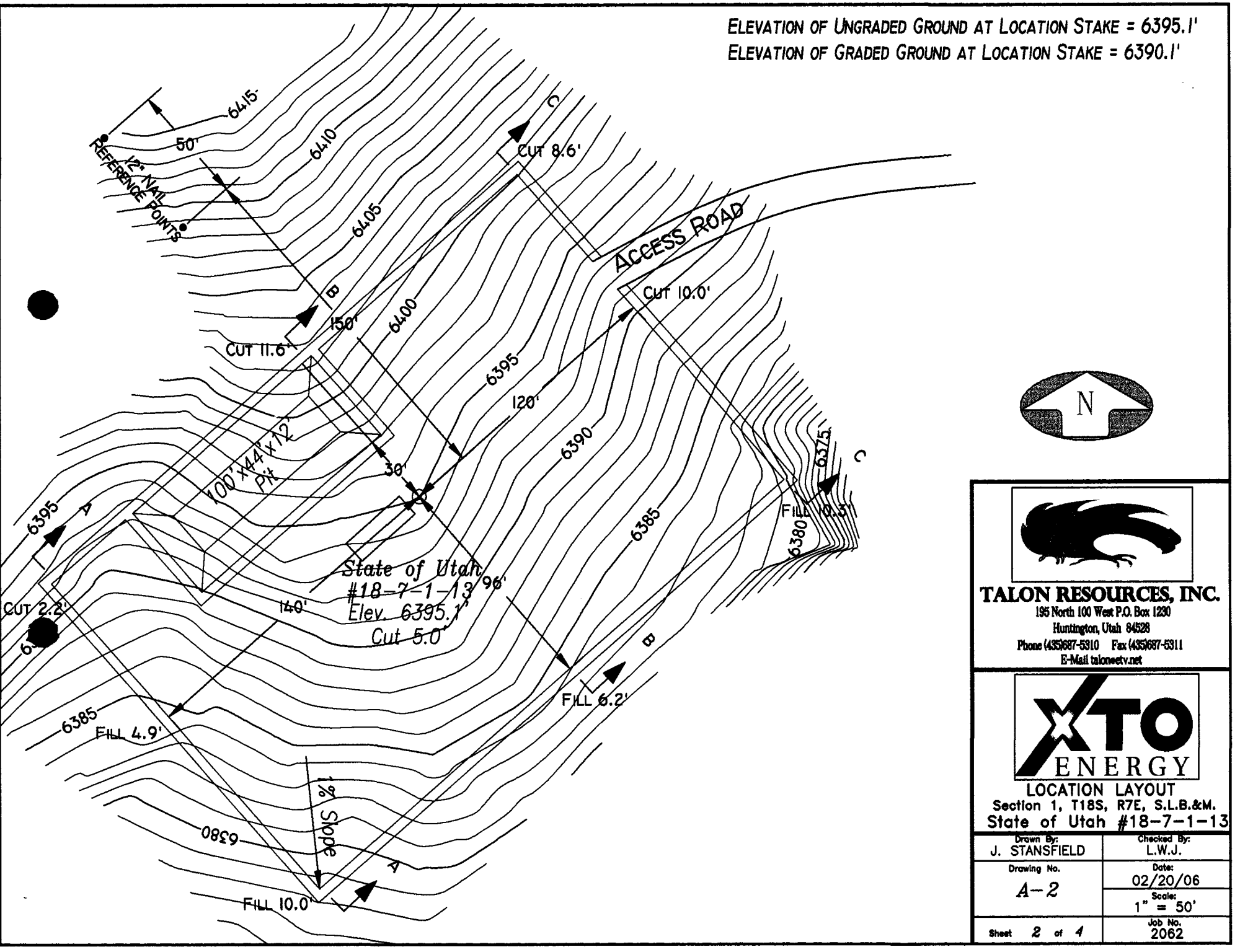
State of Utah #18-7-1-13
Section 1, T18S, R7E, S.L.B.&M.
Emery County, Utah

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. L-1	Date: 02/22/06
	Scale: 1" = 2000'
Sheet 4 of 4	Job No. 2062

EXHIBIT C

EXHIBIT D

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 6395.1'
ELEVATION OF GRADED GROUND AT LOCATION STAKE = 6390.1'



TALON RESOURCES, INC.
195 North 100 West P.O. Box 1230
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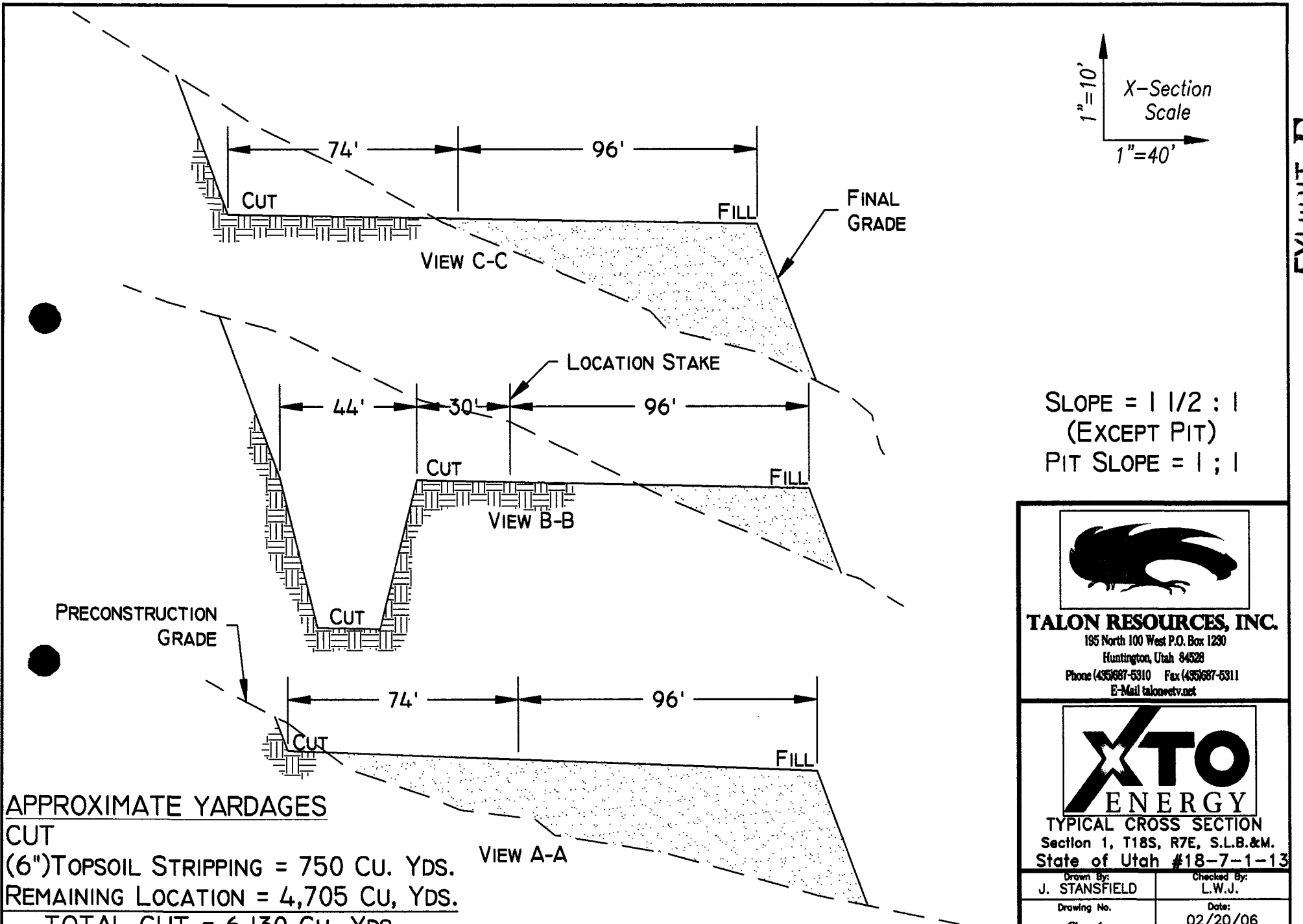
Phone (435)687-5310 Fax (435)687-5311
E-Mail talonetv.net

XTO ENERGY

LOCATION LAYOUT
Section 1, T18S, R7E, S.L.B.&M.
State of Utah #18-7-1-13

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. A-2	Date: 02/20/06
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 2062

EXHIBIT E



SLOPE = 1 1/2 : 1
(EXCEPT PIT)
PIT SLOPE = 1 ; 1

APPROXIMATE YARDAGES

CUT

(6")TOPSOIL STRIPPING = 750 CU. YDS.

REMAINING LOCATION = 4,705 CU, YDS.

TOTAL CUT = 6,130 CU. YDS.

TOTAL FILL = 5,220 CU. YDS.

TALON RESOURCES, INC.
195 North 100 West P.O. Box 1230
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E-Mail talonsetv.net

XTO ENERGY

TYPICAL CROSS SECTION
Section 1, T18S, R7E, S.L.B.&M.
State of Utah #18-7-1-13

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. C-1	Date: 02/20/06
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 2062

XTO Energy, Inc.

State of Utah 18-7-1-13
Drilling Data For APD
June 22, 2006

Location: 1382' FSL & 1266' FWL, Sec1, T18S, R7E
Emery Co, Utah

Projected TD: 3560'
Approximate Elevation: 6395'

Objective: Ferron Coal/Sand
KB Elevation: 6408'

1) Mud Program:

Interval	0' to 300'	300' to 3560'
Hole size	8.625 in	12.25 in
Mud Type	air mist	Air/LSND / Gel Chemical
Weight	N/A	8.4 - 8.6
Viscosity	N/A	45 - 60
Water Loss	N/A	8 - 10

a) Air drill to TD unless excessive water flow is encountered then switch to water based mud. If mud is required, use fibrous materials as needed to control seepage and lost circulation. Pump high viscosity sweeps as needed for hole cleaning. Raise viscosity at TD for logging. Reduce viscosity after logging for cementing.

b) The blooie line will be approximately 100' in length and will extend in a straight line from below the rotating head as indicated in the BOP schematic. An automatic spark-type igniter will be fixed to the end of the blooie line and set to provide a continuous spark to ignite and burn any produced hydrocarbons and/or gases.

c) If necessary, de-dusting will be accomplished with a small pump, waterline and spray nipple positioned near the end of the blooie line to provide a continuous spray of water.

d) Sufficient mud materials will be stored on location to maintain well control and combat lost circulation problems that might reasonably be expected.

e) The BOP system will be consistent with API RP 53 and Onshore Oil and Gas Order No. 2. Pressure tests of the surface casing and all BOP equipment subject to pressure will be conducted before drilling the surface casing shoe. Blowout preventer controls will be installed prior to drilling the surface casing shoe and will remain in use until the well is completed or abandoned. Ram preventers shall be inspected and operated daily. Annular preventers shall be inspected and operated weekly to ensure good mechanical working order. The inspections and tests shall be recorded in the drilling log and daily drilling report. See the attached BOP and choke manifold schematic.

EXHIBIT F

2. Casing Program

a) Surface Casing set @ 300' in a 12.25 in hole

8.625 in, 24#, J-55, ST&C (8.097" ID, 7.97" Drift)					
Collapse Press	Burst Press	Joint Strength	SF Collapse	SF Burst	SF Tension
950	2950	272	7	23	38

b) Production Casing set @ 3560' in a 7.875 in hole

5.5 in, 15.5#, J-55, ST&C (4.89 ID, 4.7 Drift)					
Collapse Press	Burst Press	Joint Strength	SF Collapse	SF Burst	SF Tension
4910	3,300	202	3	2	4

3. Well Heads:

a) Casing Head: Install Larkin Fig 92 (or equivalent), 10" nominal, 2,000 psig WP (4,000 psig test) with 8-5/8" 8rnd thread on bottom and 10-3/4" 8rnd thread on top. NU BOP and choke manifold (see attached schematic). Stack to consist of drilling spool with choke and kill lines, double rams with pipe rams on top, blind rams on bottom. Use cold water and test BOP to 250 psi low and 1,000 psi high. Record all tests on the IADC report. Inspect accumulator and closing unit to ensure that pre-charge pressures and oil levels are within API Specifications and report same on IADC report.

b) Tubing Head: Larkin Fig 612 (or equivalent), 5,000 psig WP (5,000 psig test), 5-1/2" SOW (or 8rnd female thread) on bottom, 7-1/16" 5,000# flange on top w/2 - 3" LPOs.

4. Cement Program:

a) Surface: 210 sx of Class G cement (or equivalent) containing 2% KCl, 1/4 % Flocele and dispersant mixed at 15.7 ppg and 1.18 ft^3/sx

i) Slurry volume is 250 ft^3, 200% excess of calculated annular volume to 300'

b) Production:

i) The Production Casing will be cemented using 2 (lead and tail) cement slurries. The lead cement (filler grade) volume will be calculated from 500' above the Upper Ferron Sandstone to surface. The Tail Cement will be calculated from TD to 500' above the Upper Ferron Sandstone as indicated on the formation tops table.

ii) Lead Cement: 230 sx of CBM Light Weight Cement with 10 pps Gilsonite and 1/4 pps celloflake mixed at 10.5 ppg and 4.15 ft^3/sx

iii) Tail Cement: 230 sx 0f CBM Light Weight Cement with 10 pps Gilsonite and 1/4 pps celloflake mixed at 10.5 ppg and 4.15 ft^3/sx

EXHIBIT F

iv) Slurry volume is 1230 ft³, 200% excess of calculated annular volume to 3560'

5. Logging Program

a) Mud logger: The mud logger will come on after surface pipe is set and will remain until TD. The mud will be logged in 10' intervals.

b) Run Array Induction (if wet), compensated neutron, density, GR, caliper, SP (if wet) and Pe fr/TD to the bottom of the surface csg.

6. Formation Tops:

Formation	Sub-Sea	Well depth
Top Upper Ferron Sand (sub sea	3,285	3,110
Top Coal Zone (sub sea)	3,215	3,180
Top Lower Ferron Sand (sub sea	3,125	3,270
Total Depth		3,560

a) No known oil zones will be penetrated.

b) Gas bearing sandstones and coals will be penetrated from 3285 ft to 3125 ft

c) No known fresh water zones will be penetrated. The gas bearing sandstones and coals may contain in-situ water.

d) No known mineral zones will be penetrated.

e) Any prospectively valuable minerals and all fresh water zones encountered during drilling will be recorded, cased and cemented. If possible, water flow rates will be measured and samples will be taken and analyzed with the results being submitted to the appropriate agency.

7. Company Personnel:

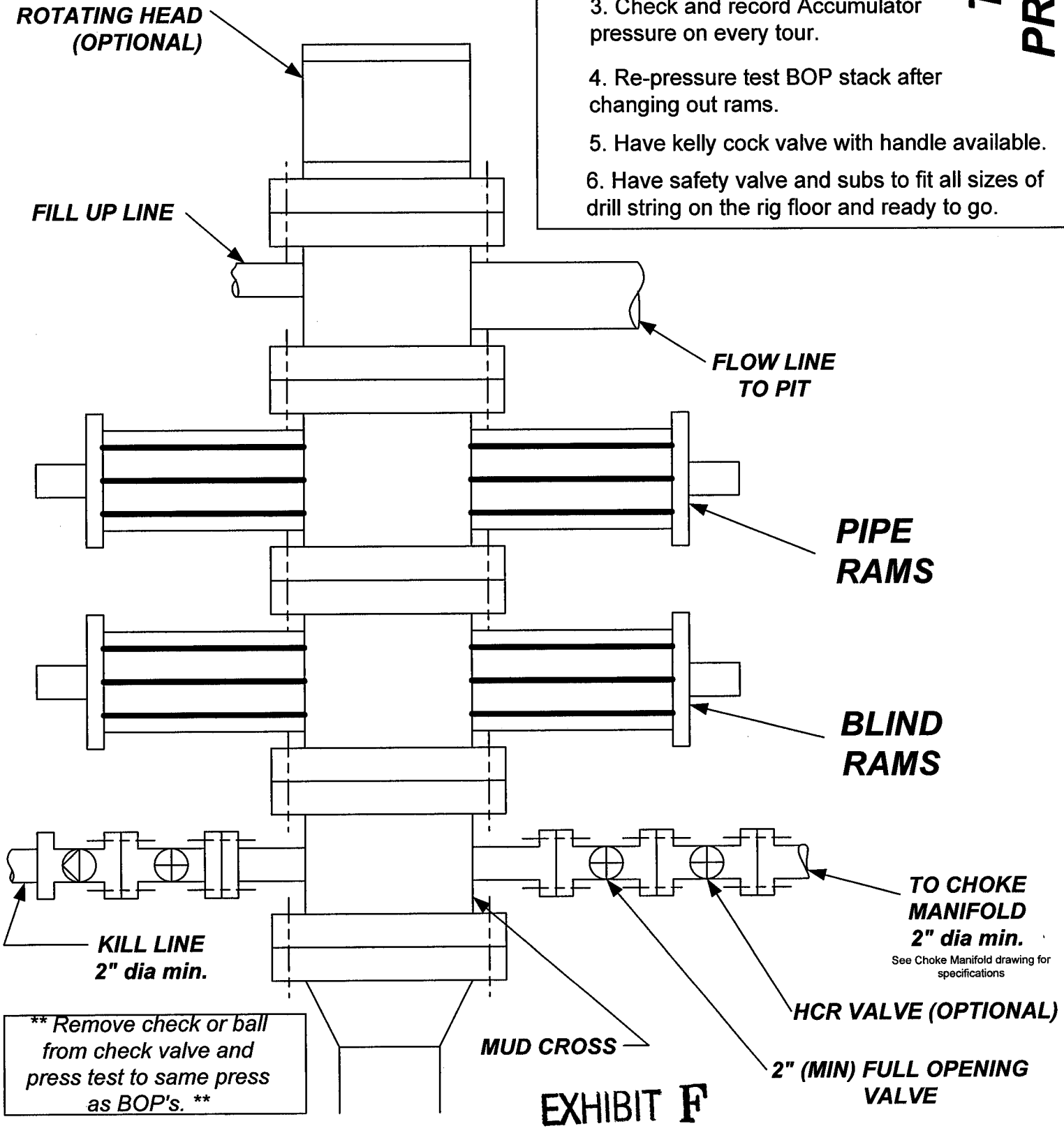
Name	Title	Office phone	Cell Phone
Greg Vick	Drilling Engineer	505-566-7946	505-486-1201
Jerry Lacy	Drilling Superintender	505-566-7914	505-320-6543
Joshua Stark	Project Geologist	817-885-2240	817-565-7158
Jerry Stadulis	Reservoir Engineer	817-855-2338	817-480-4056
Dennis Elrod	Drilling Foreman	505-566-7907	505-486-6460

EXHIBIT F

BOP SCHEMATIC FOR DRILLING OPERATIONS CLASS 1 (2M) NORMAL PRESSURE

TESTING PROCEDURE

1. Test BOP after installation:
   Pressure test BOP to 200-300 psig (low pressure) for 10 min.
   Test BOP to Working Press or to 70% internal yield of surf csg (10 min) or which ever is less.
2. Test operation of (both) rams on every trip.
3. Check and record Accumulator pressure on every tour.
4. Re-pressure test BOP stack after changing out rams.
5. Have kelly cock valve with handle available.
6. Have safety valve and subs to fit all sizes of drill string on the rig floor and ready to go.



** Remove check or ball from check valve and press test to same press as BOP's. **

EXHIBIT F

CHOKE MANIFOLD
SCHEMATIC FOR DRILLING OPERATIONS
CLASS 1 (2M) NORMAL PRESSURE

TESTING PROCEDURE

1. Stake all lines from choke manifold to pit.
2. Pressure test choke manifold after installation.
3. Pressure test manifold at the same time with the BOP Stack. Test manifold to the same test pressures.

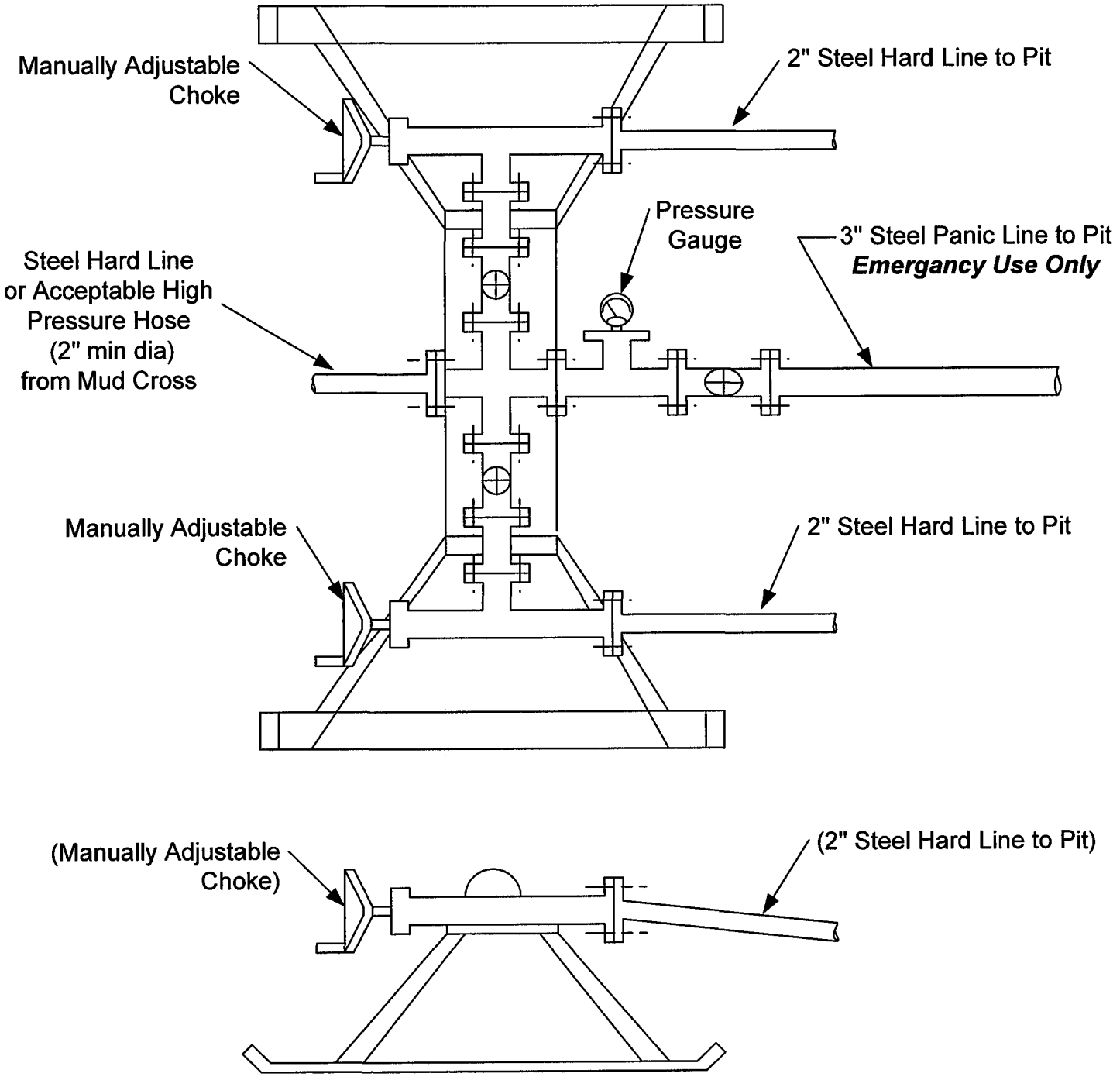


EXHIBIT F

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 07/13/2006

API NO. ASSIGNED: 43-015-30694

WELL NAME: ST OF UT 18-7-1-13

OPERATOR: XTO ENERGY INC (N2615)

PHONE NUMBER: 505-324-1090

CONTACT: KYLA VAUGHAN

PROPOSED LOCATION:

NWSW 01 180S 070E

SURFACE: 1382 FSL 1266 FWL

BOTTOM: 1382 FSL 1266 FWL

COUNTY: EMERY

LATITUDE: 39.28229 LONGITUDE: -111.0902

UTM SURF EASTINGS: 492222 NORTHINGS: 4347898

FIELD NAME: BUZZARD BENCH (132)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	DKD	9/28/06
Geology		
Surface		

LEASE TYPE: 3 - State

LEASE NUMBER: ML-48201

PROPOSED FORMATION: FRSD

SURFACE OWNER: 3 - State

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

✓ Plat

✓ Bond: Fed[] Ind[] Sta[] Fee[]
(No. 104312762)

N Potash (Y/N)

N Oil Shale 190-5 (B) or 190-3 or 190-13

✓ Water Permit
(No. MUNICIPAL)

N RDCC Review (Y/N)
(Date:)

N/A Fee Surf Agreement (Y/N)

N/A Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit: ___

___ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

___ R649-3-3. Exception

✓ Drilling Unit

Board Cause No: 245-1

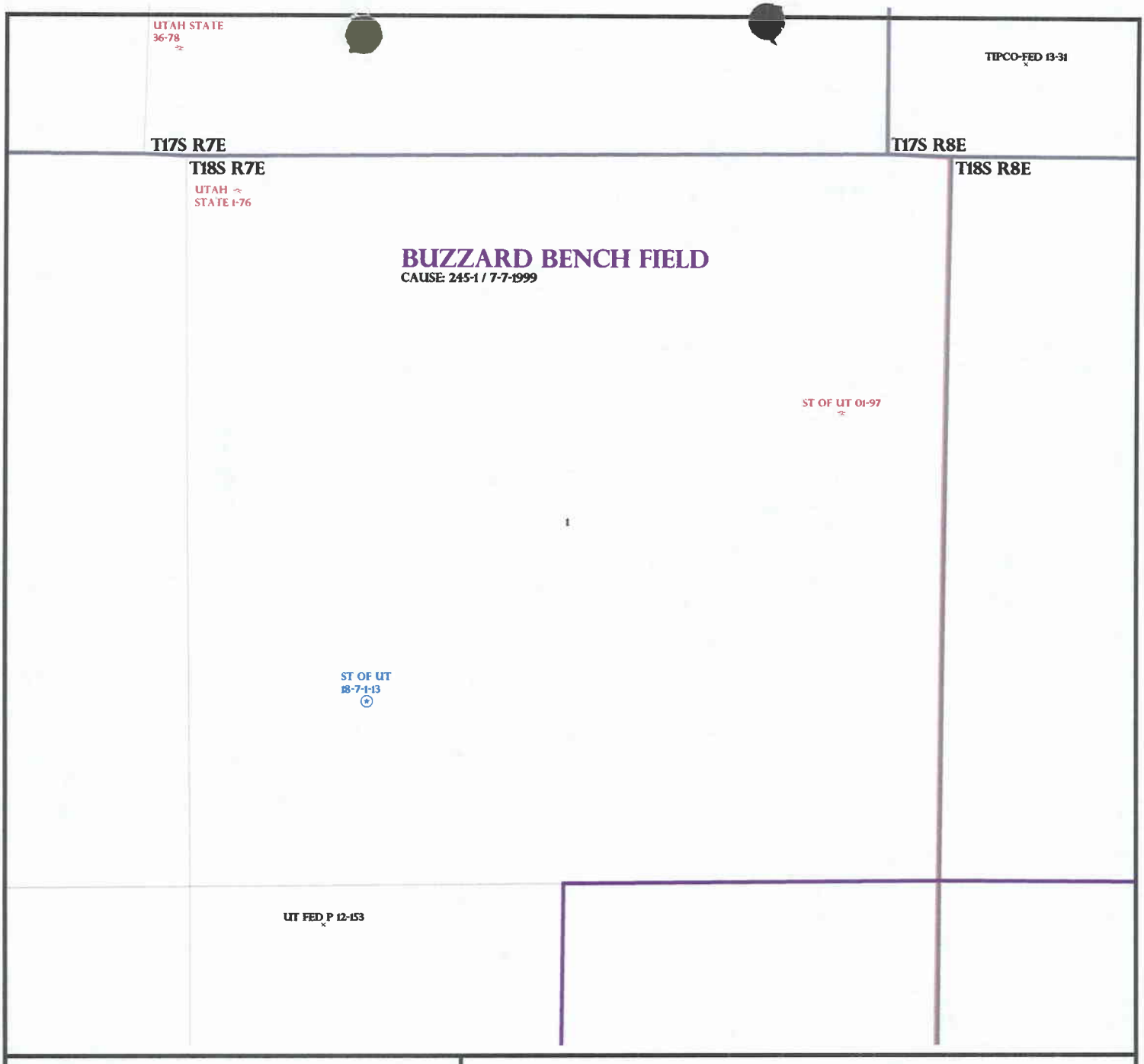
Eff Date: 7-7-99

Siting: ~~460'~~ From Outer bdry & 920' for Other Wells.

___ R649-3-11. Directional Drill

COMMENTS: Needs Presite (08-18-06)

STIPULATIONS: 1- STATEMENT OF BASIS



OPERATOR: XTO ENERGY INC (N2615)

SEC: 1 **T.**18S **R.** 7E

FIELD: BUZZARD BENCH (132)

COUNTY: EMERY

CAUSE: 245-1 / 7-7-1999

Field Status
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING

Utah Oil Gas and Mining

N
W E
S

PREPARED BY: DIANA WHITNEY
DATE: 26-JULY-2006

DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS

OPERATOR: XTO Energy Inc.
WELL NAME & NUMBER: State of Utah 18-7-1-13
API NUMBER: 43-015-30694
LOCATION: 1/4,1/4 NWSW Sec: 1 TWP: 18 S RNG: 7 E 1382 FSL 1266 FWL

Geology/Ground Water:

A well at this location will spud into a moderately permeable soil developed on the Upper Portion of the Blue Gate Member of the Mancos Shale. While aquifers with significant high quality ground water are unlikely to be encountered in the strata penetrated at this location and there are no known culinary water wells in this part of Emery County, a potential locally useful resource could exist in the sandier units of the subdivided Emery Sandstone Member of the Mancos Shale. The 300' proposed setting depth for the surface casing and cementing program may be insufficient to afford protection to the units of the subdivided Emery Sandstone Member and should be extended as needed to ensure the protection of any unknown ground water resources therein. A search of the Division of Water Rights records revealed that no filings exist on underground sources of water within a mile of this location.

Reviewer: Christopher J. Kierst **Date:** August 29, 2006

Surface:

On-site conducted August 18, 2006. In attendance: Bart Kettle (DOGM), Ray Trujillo (XTO), Allen Childs (Talon), Jim Davis (SITLA), Ray Peterson (Emery County) and Bedos (Nelsons Construction) invited but choosing not to attend Nathan Sill (DWR).

As staked southwestern corner of location of well pad crosses a dry wash capable of containing substantial flows during intense storm events. Drainage should be altered to prevent fluids from entering or leaving the well pad. Reserve pit should be fenced on three sides while well is being drilled, with the fourth side being fenced immediately upon the removal of the drilling rig.

Reviewer: Bart T Kettle **Date:** 08/22/2006

Conditions of Approval/Application for Permit to Drill:

1. Fence reserve pit on three sides while drilling, with the fourth side being fence immediately upon removal of drilling rig.
2. Diversion of flows around corner of well pad will be required along with placement of rip rap to dissipate energy of flows.

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: XTO Energy Inc.
WELL NAME & NUMBER: State of Utah 18-7-1-13
API NUMBER: 43-015-30694
LEASE: State **FIELD/UNIT:** Ferron Sandstone
LOCATION: 1/4,1/4 NWSW **Sec:** 1 **TWP:** 18 S **RNG:** 7 E 1382 FSL 1266 FWL
LEGAL WELL SITING: 460 F **1/4 LINE;** 920 F **ANOTHER WELL.**
GPS COORD (UTM): X =492223 E; Y =4347903 N **SURFACE OWNER:** SITLA

PARTICIPANTS

Bart Kettle (DOGM), Allen Childs (Talon Resources Inc), Ray Trujillo (XTO), Jim Davis (SITLA), Ray Peterson (Emery County), and Bedos (Nelsons Construction). Invited but choosing not to attend Nathan Sill (DWR).

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Proposed project is ~6 miles northwest of Huntington, located in Emery County Utah. Location is surrounded by rangelands with many steep gullies and dry wash's cutting through a series of mesas rising to the east. Drainages flow into Cottonwood Creek within three miles and eventually to the Green River 60 miles away. The project is located in a 10-12" precept zone at the base of the eastern portion of the Wasatch Plateau. Agriculture lands are located along the valley floor to the east. With the exception of patchy agriculture lands to the east and montane forest of the Wasatch Plateau the regional topography is arid rangelands dominated by Salt Scrub shrublands and Pinion/Juniper woodlands. Soils in the region are generally poorly developed, and moderate too highly erosive. There were no perennial streams or springs observed in close proximity to the location. Drainages in the immediate area are dry washes, flowing water during the extreme rain events of the monsoon season and during spring snow melt.

SURFACE USE PLAN

CURRENT SURFACE USE: Seasonal livestock grazing, late winter/spring big game range, wildlife habitat, and OHV recreational use.

PROPOSED SURFACE DISTURBANCE: Approximately 5500' existing road will be upgraded and 400' of new road construction. Well pad 260'x170'

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: See GIS layer.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Facilities consisting of a wellhead, flowlines, lifting system, separator measurement equipment and enclosed building for measurement equipment will be located on-site. A pipeline for transport of produced gas and water will run from this well and tie into an existing line along the access road.

SOURCE OF CONSTRUCTION MATERIAL: On location or local sources.

ANCILLARY FACILITIES: None

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS: Limited public interest or concern is anticipated during drilling and production of this well.

WASTE MANAGEMENT PLAN:

Reserve pit will be lined and fenced to allow fluids too evaporate. Once dry the reserve pit contents will be buried in place, back fill will be sufficiently deep so that no liner is exposed. Trash must be contained in a trash cage and hauled away to an approved disposal site as necessary but no later than at the completion of drilling operations.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: Several dry washes will be altered during construction of the access road. Low water crossing will be installed at the crossing of Grimes Creek, an intermittent stream.

FLORA/FAUNA: Mule deer, elk, blacktail jackrabbits, cottontail rabbits, assortment of raptors, many small mammals, reptiles and birds. Grasses: Bottlebrush squirreltail, Salina wild rye, alkali sacaton, and curly galleta. Shrubs: Black sage, mat saltbrush, shadscale, Castle Valley Clover, Mormon tea, Douglas rabbit brush, Buckwheat spp, broom snake weed, bud sage, and black greasewood. Trees: Utah Juniper and Two Needle pinyon pine. Forbs: Hairy aster, Rocky Mountain aster, halogeton. Other: Hook cactus.

SOIL TYPE AND CHARACTERISTICS: Clay loam, many sandstone fragments, and heavy blue/dark gray clays.

SURFACE FORMATION & CHARACTERISTICS: Blue Gate Member of the Mancos Shale/clay and alluvial outwash. Soils at the well site are generally fine clays on steep slopes. Due to slope and arid site soils are erosive in nature.

EROSION/SEDIMENTATION/STABILITY: Most of the project area lays in areas of clay and clay loam soils ranging from high to moderate potential for wind erosion. The project area has moderate water erosion potential. Soil erosion would increase during the initial construction phase of the project. Removal of vegetation and physical soil crust will reduce surface soil aggregates and therefore reduce soil stability. Loose unstable berms of soil will be left along the roadside and water runoff patterns will be re-directed. These factors will contribute to increased potential for wind and water erosion. As vegetation and soil crusts recover along the roadway soils will become more stable. Wind and water erosion rates would be partially reduced, but still accelerated from normal rates.

PALEONTOLOGICAL POTENTIAL: None noted

RESERVE PIT

CHARACTERISTICS: 80'x44'x12'

LINER REQUIREMENTS (Site Ranking Form attached): Lining is not required.

SURFACE RESTORATION/RECLAMATION PLAN

Well site and immediate area will be cleared of debris and material not needed for production after the completion of drilling. Reclamation will start within 120 days of the completion of the well. Areas not required for production will be reclaimed. Reclaimed portions of the well pad will be seeded in late fall or winter with seed mixture specified by the State of Utah.

SURFACE AGREEMENT: As per SITLA mineral lease.

CULTURAL RESOURCES/ARCHAEOLOGY: On file

OTHER OBSERVATIONS/COMMENTS

As staked southwest corner of the reserve pit and well pad sit over a medium size dry wash capable of containing substantial water flow during intense storm events. Diversion of flows around corner of well pad will be required along with placement of rip rap to dissipate energy of flows. Low water crossing will be used to cross Grimes Creek. Emery County requested that XTO be diligent in the control of noxious weeds found along their roadways and pipelines. Bulk of access road is to be built along an existing pipeline operated by XTO.

ATTACHMENTS

Photos of this location were taken and placed on file.

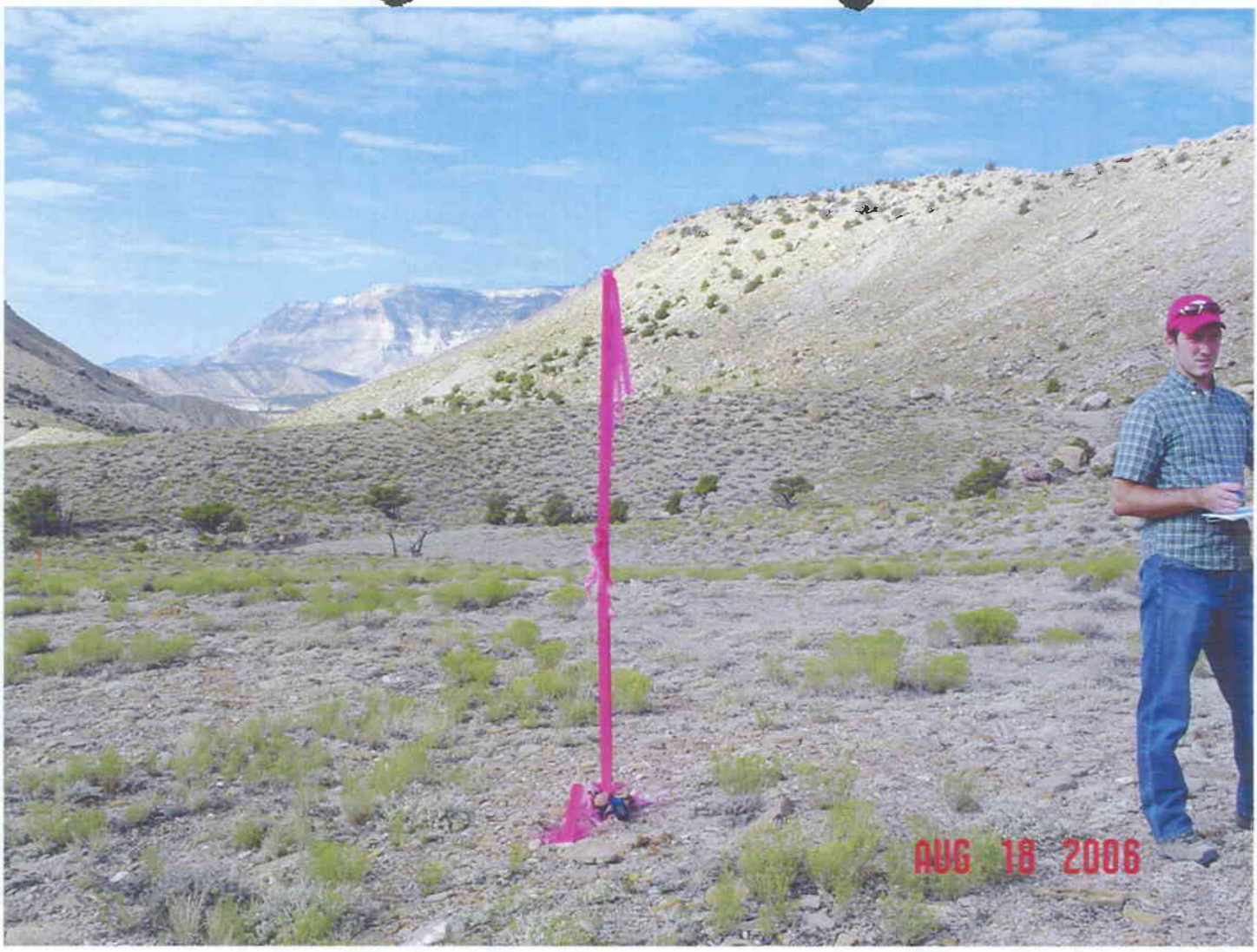
Bart Kettle	08/22/2006 10:36 a.m.
DOGM REPRESENTATIVE	DATE/TIME

Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements

Site-Specific Factors	Ranking	Site Ranking
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	0
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	0
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	0
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	0
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	0
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid containing significant levels of hazardous constituents	20	0
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	0
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	5
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	0
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	0

Final Score 5 (Level III Sensitivity)

Sensitivity Level I = 20 or more; total containment is required, consider criteria for excluding pit use.
Sensitivity Level II = 15-19; lining is discretionary.
Sensitivity Level III = below 15; no specific lining is required.

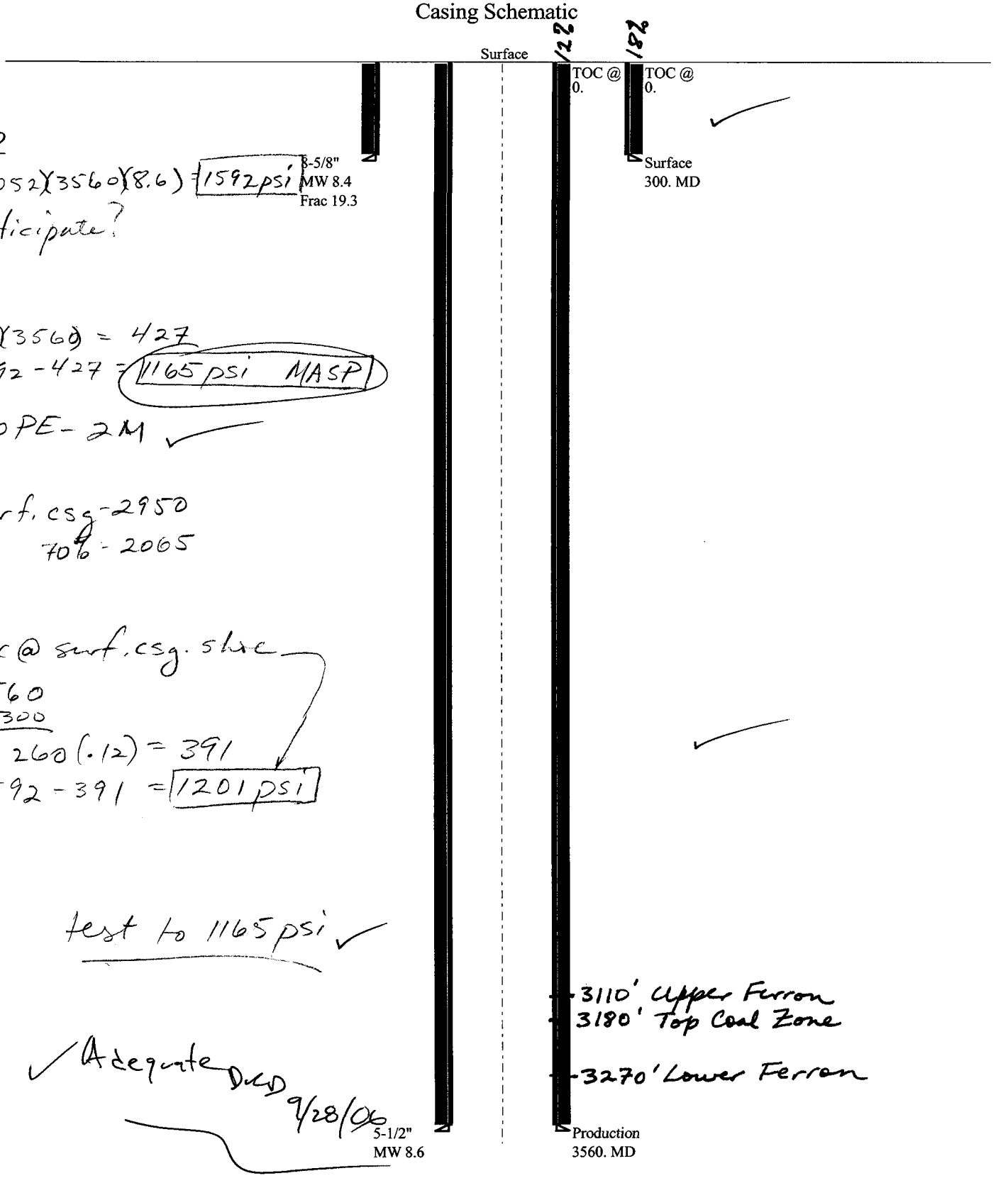

AUG 18 2006

UTAH DIVISION OF WATER RIGHTS

Sorry. No diversion points. Try browsing!

2006-09 XTO St of Ut 18-[illegible]1-13

Casing Schematic



BHP

(0.052)(3560)(8.6) = 1592 psi

anticipate?

Gas

(.12)(3560) = 427

1592 - 427 = 1165 psi MASP

BOPE - 2M ✓

Surf. csg - 2950

70% - 2065

Max @ surf. csg. shoe

3560

- 300

3260 (.12) = 391

1592 - 391 = 1201 psi

test to 1165 psi ✓

✓ Adequate DKD 9/28/06

Well name:	**2006-09 XTO St of Ut 18-7-1-13**
Operator:	**XTO Energy Inc.**
String type:	Surface
Project ID:	43-015-30694
Location:	Emery County

Design parameters:

Collapse

Mud weight: 8.400 ppg

Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 264 psi

Internal gradient: 0.120 psi/ft

Calculated BHP 300 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Tension is based on buoyed weight.

Neutral point: 262 ft

Environment:

H2S considered? No

Surface temperature: 65 °F

Bottom hole temperature: 69 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 250 ft

Cement top: Surface

Non-directional string.

Re subsequent strings:

Next setting depth: 3,560 ft

Next mud weight: 8.600 ppg

Next setting BHP: 1,590 psi

Fracture mud wt: 19.250 ppg

Fracture depth: 300 ft

Injection pressure: 300 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	300	8.625	24.00	J-55	ST&C	300	300	7.972	107.2

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	131	1370	10.472	300	2950	9.83	6	244	38.80 J

Prepared by: Helen Sadik-Macdonald
Div of Oil,Gas & Minerals

Phone: 801-538-5357
FAX: 810-359-3940

Date: September 22,2006
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 300 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	**2006-09 XTO St of Ut 18-7-1-13**
Operator:	**XTO Energy Inc.**
String type:	Production
Project ID:	43-015-30694
Location:	Emery County

Design parameters:

Collapse
Mud weight: 8.600 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 807 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 1,590 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 3,097 ft

Environment:
H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 115 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: Surface

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	3560	5.5	15.50	J-55	ST&C	3560	3560	4.825	475.8

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1590	4040	2.540	1590	4810	3.02	48	202	4.21 J

Prepared by: Helen Sadik-Macdonald
Div of Oil,Gas & Minerals
Phone: 801-538-5357
FAX: 810-359-3940
Date: September 22,2006
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 3560 ft, a mud weight of 8.6 ppg The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

From: Ed Bonner
To: Mason, Diana
Date: 5/22/2007 5:05 PM
Subject: Well Clearance

CC: Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil

The following wells have been given cultural resources clearance by the Trust Lands Cultural Resources Group:

Dominion Exploration & Production, Inc
LCU 5-36F (API 43 047 38785)

Gasco Production Company
State 21-32B (API 43 047 39170)
State 22-32A (API 43 047 39171)
State 21-32A (API 43 047 39172)

Kerr McGee Oil & Gas Onshore LP
NBU 1021-29L (API 43 047 39009)
NBU 1021-29O (API 43 047 39010)
NBU 1021-29N (API 43 047 39011)
NBU 1021-29J (API 43 047 39012)
NBU 1021-29K (API 43 047 39013)
NBU 1021-29I (API 43 047 39014)
NBU 1021-29G (API 43 047 39015)
NBU 1021-29F (API 43 047 39016)
NBU 1021-29E (API 43 047 39017)
NBU 1021-29C (API 43 047 39018)
NBU 1021-29A (API 43 047 39019)
NBU 1021-29P (API 43 047 39110)

Royale Energy, Inc
Trail Canyon 1-1 (API 43 019 31531)
Trail Canyon 2-1 (API 43 019 31532)

XTO Energy, Inc
State of Utah 18-7-1-13 (API 43 015 30694)

If you have any questions regarding this matter please give me a call.

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

May 23, 2007

XTO Energy, Inc.
2700 Farmington Ave. Bldg K, Ste. 1
Farmington, NM 87401

Re: State of Utah 18-7-1-13 Well, 1382' FSL, 1266' FWL, NW SW, Sec. 1, T. 18 South, R. 7 East, Emery County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-015-30694.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Emery County Assessor
SITLA

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

Operator: XTO Energy, Inc.
Well Name & Number State of Utah 18-7-1-13
API Number: 43-015-30694
Lease: ML-48201

Location: NW SW **Sec.** 1 **T.** 18 South **R.** 7 East

Conditions of Approval

1. **General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. **Notification Requirements**

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at: (801) 538-5338 office
  (801) 942-0873 home
- Carol Daniels at: (801) 538-5284 office
- Dustin Doucet at: (801) 538-5281 office
  (801) 733-0983 home

3. **Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:	ML-48201
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	N/A
7. UNIT or CA AGREEMENT NAME:	N/A
1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER	8. WELL NAME and NUMBER: State of Utah 18-7-1-13
2. NAME OF OPERATOR: XTO ENERGY INC.	9. API NUMBER: 4301530694
3. ADDRESS OF OPERATOR: 382 Road 3100 CITY Aztec STATE NM ZIP 87410 PHONE NUMBER: (505) 333-3145	10. FIELD AND POOL, OR WILDCAT: Ferron Sandstone/Buzzard Bench

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1382' FSL x 1266' FWL COUNTY: EMERY

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 1 18S 7E S STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: APD Extension
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

XTO Energy is requesting permission to extend the existing APD.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 06-25-08

By: [signature]

COPY SENT TO OPERATOR
Date: 6-26-2008
Initials: KS

NAME (PLEASE PRINT) Kelly Small TITLE Regulatory Compliance

SIGNATURE Kelly Small DATE 6/19/2008

(This space for State use only)

RECEIVED
JUN 23 2008
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

[redacted]

Application for Permit to Drill
Request for Permit Extension
Validation
(this form should accompany the Sundry Notice requesting permit extension)

API: 4301530694
Well Name: State of Utah 18-7-1-13
Location: 1382' FSL x 1266' FWL, Sec 1, T18S, R7E, NWSW
Company Permit Issued to: XTO Energy, Inc.
Date Original Permit Issued: 5/23/2007

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes☐ No☑

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes☐ No☑

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes☐ No☑

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes☐ No☑

Has the approved source of water for drilling changed? Yes☐ No☑

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes☐ No☑

Is bonding still in place, which covers this proposed well? Yes☑ No☐

Signature

6/19/2008
Date

Title: Regulatory Compliance

Representing: XTO Energy, Inc.

RECEIVED
JUN 23 2008
DIV. OF OIL, GAS & MINING

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48201

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME: N/A

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: STATE OF UTAH #18-7-1-13

2. NAME OF OPERATOR: XTO ENERGY INC.

9. API NUMBER: 4301530694

3. ADDRESS OF OPERATOR: 382 CR 3100 CITY AZTEC STATE NM ZIP 87410

PHONE NUMBER: (505) 333-3100

10. FIELD AND POOL, OR WILDCAT: Ferron Sandstone/Buzzard Bench

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1382' FSL & 1266' FWL

COUNTY: EMERY

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 1 18S 7E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Enlarge Wellpad
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

XTO Energy Inc. requests permission to enlarge the wellpad in order to provide a safe working space for a larger rig.

Revised location layout attached.....

Approved by the Utah Division of Oil, Gas and Mining

Date: 10-21-08

By:

NAME (PLEASE PRINT) KELLY K. SMALL TITLE Regulatory Compliance Tech

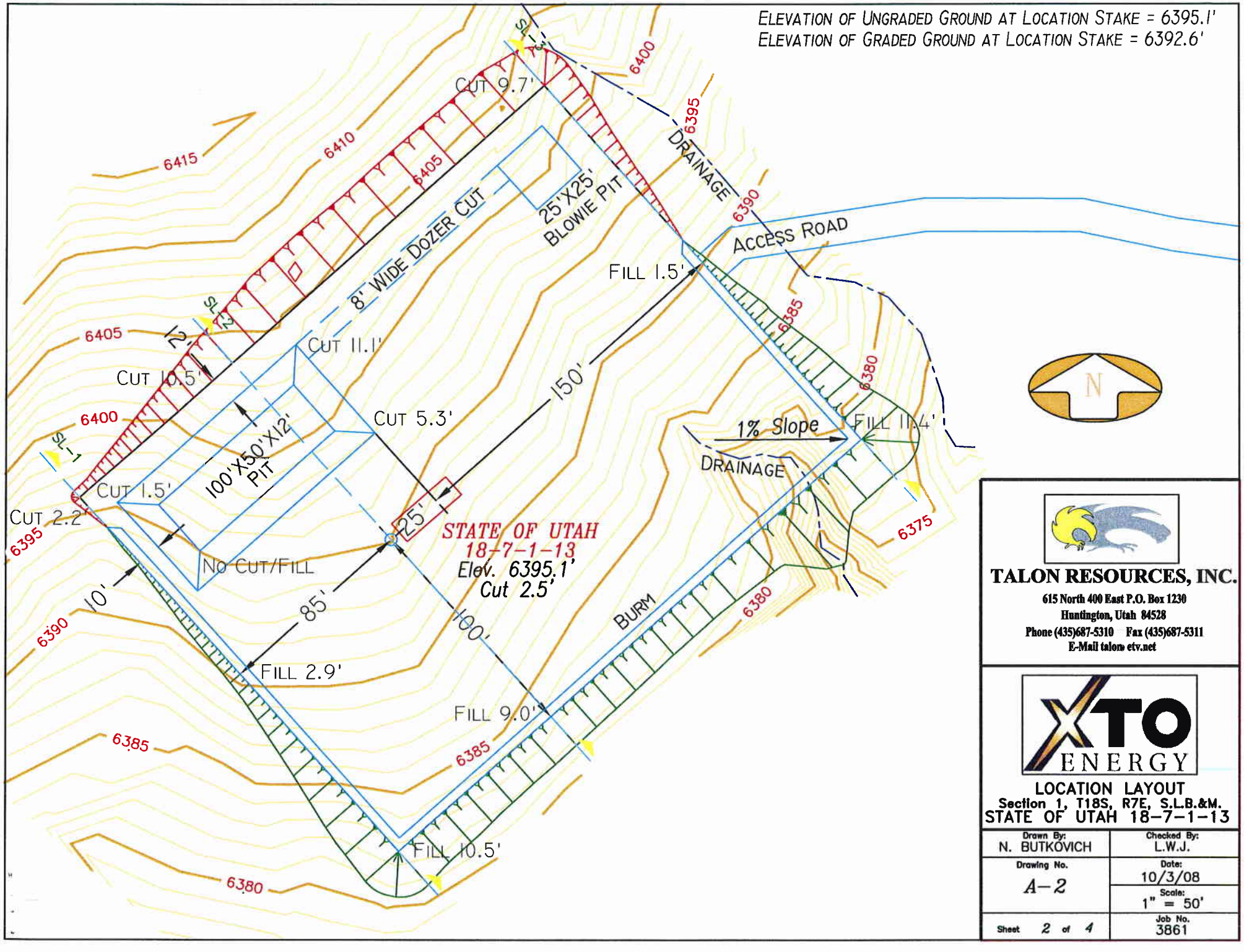
SIGNATURE Kelly K Small DATE 10/9/2008

(This space for State use only)

COPY SENT TO OPERATOR
Date: 10·23·2008
Initials: KS

RECEIVED
OCT 14 2008
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)



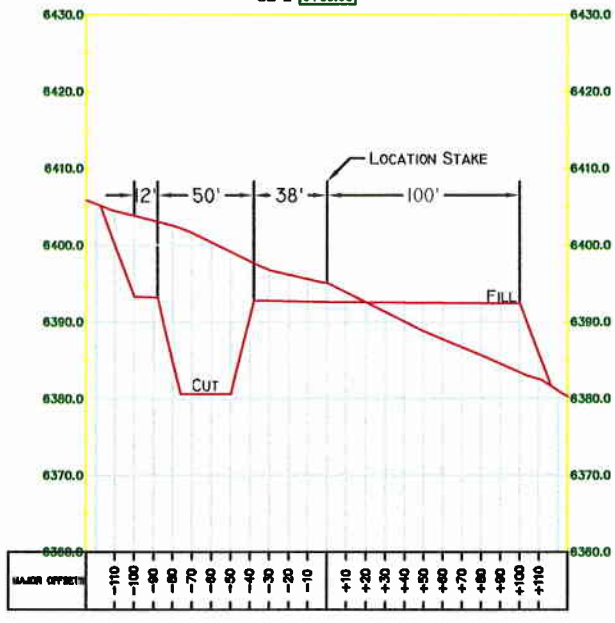
TALON RESOURCES, INC.
615 North 400 East P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talon etv.net

XTO ENERGY

LOCATION LAYOUT
Section 1, T18S, R7E, S.L.B.&M.
STATE OF UTAH 18-7-1-13

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. A-2	Date: 10/3/08
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 3861

SL-2 0+85.00



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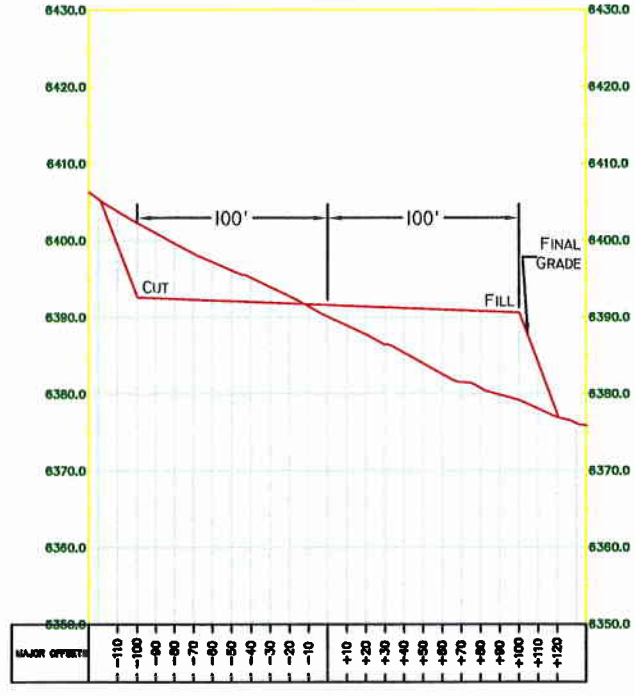
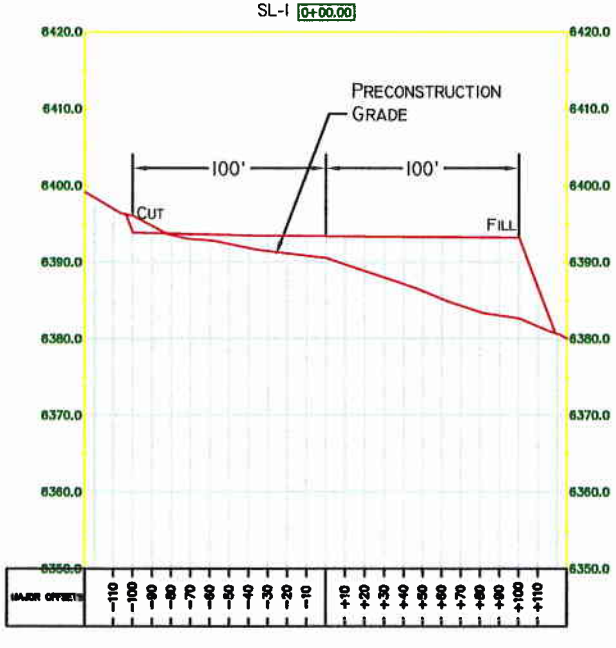
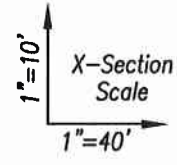


SL-1 0+00.00





SLOPE = 1 1/2 : 1
(EXCEPT PIT)
PIT SLOPE = 1 : 1

APPROXIMATE YARDAGES

(6")TOPSOIL STRIPPING = 1,215 CU. YDS.
TOTAL CUT (INCLUDING PIT) = 7,210 CU. YDS.
TOTAL FILL = 6,595 CU. YDS.

TALON RESOURCES, INC.
615 North 400 East P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talon etv.net

XTO ENERGY

TYPICAL CROSS SECTION

Section 1, T18S, R7E, S.L.B.&M.
STATE OF UTAH 18-7-1-13

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. C-1	Date: 10/3/08
	Scale: 1" = 100'
Sheet 3 of 4	Job No. 3861

API Well No: 43015306940000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: ML-48201

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL
Gas Well

8. WELL NAME and NUMBER:
ST OF UT 18-7-1-13

2. NAME OF OPERATOR:
XTO ENERGY INC

9. API NUMBER:
43015306940000

3. ADDRESS OF OPERATOR:
382 Road 3100 , Aztec, NM, 87410

PHONE NUMBER:
505 333-3159 Ext

9. FIELD and POOL or WILDCAT:
BUZZARD BENCH

4. LOCATION OF WELL
FOOTAGES AT SURFACE:
1382 FSL 1266 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
Qtr/Qtr: NWSW Section: 01 Township: 18.0S Range: 07.0E Meridian: S

COUNTY:
EMERY

STATE:
UTAH

11.
CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ **NOTICE OF INTENT** Approximate date work will start: 6/25/2010	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ **SUBSEQUENT REPORT** Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ **SPUD REPORT** Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ **DRILLING REPORT** Report Date:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	✓ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

XTO hereby requests a one year extension on the State permit for the referenced well.

Approved by the Utah Division of Oil, Gas and Mining

Date: July 23, 2009

By: Dustin Doucet

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Eden Fine	505 333-3664	Permitting Clerk
SIGNATURE N/A		**DATE** 7/20/2009

RECEIVED July 20, 2009

The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43015306940000

API: 43015306940000
Well Name: ST OF UT 18-7-1-13
Location: 1382 FSL 1266 FWL QTR NWSW SEC 01 TWNP 180S RNG 070E MER S
Company Permit Issued to: XTO ENERGY INC
Date Original Permit Issued: 5/23/2007

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- **If located on private land, has the ownership changed, if so, has the surface agreement been updated?** ○ **Yes** ◉ **No**
- **Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?** ○ **Yes** ◉ **No**
- **Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?** ○ **Yes** ◉ **No**
- **Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location?** ○ **Yes** ◉ **No**
- **Has the approved source of water for drilling changed?** ○ **Yes** ◉ **No**
- **Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?** ○ **Yes** ◉ **No**
- **Is bonding still in place, which covers this proposed well?** ◉ **Yes** ○ **No**

Approved by the Utah Division of Oil, Gas and Mining

Signature: Eden Fine **Date:** 7/20/2009
Title: Permitting Clerk **Representing:** XTO ENERGY INC

Date: July 23, 2009
By:

RECEIVED July 20, 2009

GARY R. HERBERT
Governor
GREGORY S. BELL
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

May 25, 2010

XTO Energy Inc.
382 Road 3100
Aztec, NM 87410

Re: APD Rescinded – State of Utah 18-7-1-13, Sec. 1 T. 18S, R. 7E
Emery County, Utah API No. 43-015-30694

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on May 23, 2007. On June 25, 2008 and July 23, 2009, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective May 25, 2010. A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
SITLA, Ed Bonner

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING